

BEAUFORT WEST MUNICIPALITY  
ANNUAL FINANCIAL STATEMENTS  
for the year ended  
30 June 2007

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 62, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 25 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

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J. Booysen  
Municipal Manager

30 Augustus 2007  
\_\_\_\_\_  
Date

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**BEAUFORT WEST MUNICIPALITY**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2007**

	Note	2007 R	2006 R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net assets</b>		109 984 008	95 385 478
Housing Development Fund	2	3 683 532	3 962 423
Capital replacement reserve		1 904 961	-
Capitalisation reserve	1	2 579 568	2 644 108
Government grant reserve	1	84 966 598	77 238 678
Donations and public contribution reserves		-	-
Self-insurance reserve		279 721	251 322
Revaluation reserve		-	-
Accumulated Surplus/(Deficit)		16 569 627	11 288 947
<b>Non-current liabilities</b>		9 485 155	10 481 983
Long-term liabilities	3	8 459 518	9 416 200
Non-current provisions	4	1 039 044	1 065 783
<b>Current liabilities</b>		26 086 532	26 616 755
Consumer deposits	5	786 896	773 685
Provisions	6	792 661	744 683
Creditors	7	3 367 662	5 936 261
Unspent conditional grants and receipts	8	15 101 385	10 768 764
VAT	9	2 115 018	1 901 188
Short-term loans	10	-	-
Bank overdraft	19	3 137 375	5 987 351
Current portion of long-term liabilities	3	772 129	504 823
<b>Total Net Assets and Liabilities</b>		<b>145 555 695</b>	<b>132 484 216</b>
<b>ASSETS</b>			
<b>Non-current assets</b>		101 506 830	97 316 388
Property, plant and equipment	11	101 438 997	97 125 229
Investment property	12	-	-
Investments	13	-	-
Long-term receivables	14	67 834	191 159
<b>Current assets</b>		44 048 865	35 167 828
Inventory	15	1 284 988	824 492
Consumer debtors	16	19 275 160	14 325 445
Other debtors	17	648 513	2 270 219
Unpaid Grants and Subsidies	17	89 682	89 682
VAT	17.1	2 610 200	2 050 535
Current portion of long-term receivables	14	49 691	181 676
Call investment deposits	18	20 080 681	15 415 728
Bank balances and cash	19	9 950	10 050
<b>Total Assets</b>		<b>145 555 695</b>	<b>132 484 216</b>

**BEAUFORT WEST MUNICIPALITY**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30th JUNE 2007**

	Note	2007 R	2006 R
<b>REVENUE</b>			
Property rates	20	11 125 881	11 124 469
Property rates - penalties imposed and collection charges		1 068 666	901 279
Service charges	21	38 842 018	35 215 035
Regional Service Levies - turnover		-	-
Regional Service Levies - remuneration		-	-
Rental of facilities and equipment		650 506	531 287
Interest earned - external investments		448 427	275 766
Interest earned - outstanding debtors		-	-
Dividends received		-	-
Fines		7 375 224	4 278 745
Licences and permits		529 061	451 443
Income for agency services		444 001	444 900
Government grants and subsidies	22	23 903 527	26 059 277
Other income	23	1 577 482	1 505 665
Public contributions and donations		-	-
Gains on disposal of property, plant and equipment		2 174 223	111 800
Change in Fair Values		-	-
<b>Total Revenue</b>		<b>88 139 015</b>	<b>80 899 666</b>
<b>EXPENDITURE</b>			
Employee related costs	24	28 152 999	25 299 920
Remuneration of Councillors	25	2 824 441	1 868 095
Bad debts		1 650 000	30 000
Collection costs		214 446	196 426
Depreciation		7 595 885	6 732 717
Repairs and maintenance		6 113 216	6 311 219
Interest paid	26	1 208 574	1 430 266
Bulk purchases	27	10 378 648	9 249 774
Contracted services		390 724	121 600
Grants and subsidies paid	28	3 946 135	-
General expenses	29	10 899 500	35 871 515
Loss on disposal of property, plant and equipment		165 918	2 683 302
<b>Total Expenditure</b>		<b>73 540 486</b>	<b>89 794 834</b>
<b>SURPLUS/(DEFICIT)</b>		<b>14 598 529</b>	<b>-8 895 167.72</b>
<b>Share of surplus/(deficit) of associate accounted for under the equity method</b>	29	-	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>14 598 529</b>	<b>-8 895 167.72</b>
Refer to Appendix E(1) for the comparison with the approved budget			

**BEAUFORT WEST MUNICIPALITY**  
**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2007**

	<u>Pre-GAMAP Reserves and Funds</u> R	<u>Housing Development Fund</u> R	<u>Capital Replacement Reserve</u> R	<u>Capitalisation Reserve</u> R	<u>Government Grant Reserve</u> R	<u>Donations and Public Contribution Reserve</u> R	<u>Self- Insurance Reserve</u> R	<u>Revaluation Reserve</u> R	<u>Accumulated Surplus/ (Deficit)</u> R	<u>Total</u> R
<b>2006</b>										
Balance at 30 June 2005	22 926 807	4 210 075	-	-	-	-	-	-	5 322 991	32 459 873
Implementation of GAMAP (Note 31)	-22 926 807	-	-	2 946 500	63 736 340	-	251 322	-	23 940 484	67 947 839
Change in accounting policy (Note 32)	-	-	-	-	-	-	-	-	-	-
Restated balance		4 210 075		2 946 500	63 736 340		251 322		29 263 475	100 407 712
Net surplus/(deficit) for the year		-	-	-	-	-	-	-	-8 895 168	-8 895 169
Transfer to CRR										
Property, plant and equipment										
Capital grants used to purchase PPE					18 717 821				-18 717 821	
Donated/contributed PPE										
Contribution to Insurance Reserve										
Insurance claims processed										
Transfer to Housing Development Fund		-247 652							247 652	
Asset disposals										
Offsetting of depreciation				-302 392	-5 215 483				5 517 875	
<b>Balance at 30 June 2006</b>		<b>3 962 423</b>		<b>2 644 108</b>	<b>77 238 678</b>		<b>251 322</b>		<b>7 416 013</b>	<b>91 512 544</b>
<b>2007</b>										
Implementation of GAMAP (Note 31)	-	-	-	-	-	-	-	-	3 872 934	3 872 934
Correction of error (Note 33)	-	-	-	-	-	-	-	-	-	-
Change in accounting policy (Note 32)	-	-	-	-	-	-	-	-	-	-
<b>Restated balance</b>		<b>3 962 423</b>		<b>2 644 108</b>	<b>77 238 678</b>		<b>251 322</b>		<b>11 288 947</b>	<b>95 385 478</b>
Net surplus/(deficit) for the year		-	-	-	-	-	-	-	14 598 529	14 598 529
Transfer to CRR	-	-	2 172 512	-	-	-	-	-	-2 172 512	
Property, plant and equipment purchased	-	-	-267 550	-	-	-	-	-	267 550	
Capital grants used to purchase PPE	-	-	-	-	11 533 372	-	-	-	-11 533 372	
Donated/contributed PPE	-	-	-	-	-	-	-	-	-	
Contribution to Insurance Reserve	-	-	-	-	-	-	37 285	-	-37 285	
Insurance claims processed	-	-	-	-	-	-	-8 885	-	8 885	
Transfer/(From) to Housing Development Fund	-	-278 891	-	-	-	-	-	-	278 891	
Asset disposals	-	-	-	-	-156 485	-	-	-	156 485	
Offsetting of depreciation	-	-	-	-64 540	-3 648 967	-	-	-	3 713 507	
<b>Balance at 30 June 2006</b>		<b>3 683 532</b>	<b>1 904 961</b>	<b>2 579 568</b>	<b>84 966 598</b>		<b>279 721</b>		<b>16 569 627</b>	<b>109 984 007</b>

**BEAUFORT WEST MUNICIPALITY**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 R	2006 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts from ratepayers, government and other		-	-
Cash paid to suppliers and employees		-	-
Cash generated from/(utilised in) operations	34	18 431 261	21 784 738
Interest received		448 427	275 766
Interest paid		-1 208 574	-1 430 266
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>17 671 113</b>	<b>20 630 238</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		-12 075 571	-19 754 228
Proceeds on disposal of fixed assets		2 340 141	2 795 104
Increase in investment properties		-	-
(Increase)/decrease in non-current loans		255 311	139 806
Increase in non-current investments		-	-
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>-9 480 118</b>	<b>-16 819 318</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New loans raised/(repaid)		-689 376	-373 502
Increase in consumer deposits		13 211	72 104
Decrease/(increase) in short-term loans		-	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>-676 165</b>	<b>-301 399</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>7 514 830</b>	<b>3 509 521</b>
Cash and cash equivalents at the beginning of the year		9 438 427	5 928 905
Cash and cash equivalents at the end of the year		16 953 256	9 438 427
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>7 514 830</b>	<b>3 509 521</b>

**BEAUFORT WEST MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

	2007 R	2006 R
<b>1 NETT ASSET RESERVES</b>		
RESERVES	87 546 166	79 882 787
Capitalisation Reserve	2 579 568	2 644 108
Government Grant Reserve	84 966 598	77 238 678
Sub-total	87 546 166	79 882 787
	-	-
<b>Total Nett Asset Reserve Assets and Liabilities</b>	<b>87 546 166</b>	<b>79 882 787</b>

**2 HOUSING DEVELOPMENT FUND**

Housing Development Fund	3 683 532	3 962 423
Unappropriated Surplus	-	-
Loans extinguished by Government on 1 April 1998	3 683 532	3 962 423

The Housing Development Fund is represented by the following assets and liabilities

Property, plant and equipment (see note 11)	-	-
Housing selling scheme loans	-	-
Other Debtors	40 215	-
Unauthorised use of cash for other purposes	-	-
Bank and cash	3 643 318	3 962 423
Sub-total	3 683 532	3 962 423
Creditors	-	-
<b>Total Housing Development Fund Assets and Liabilities</b>	<b>3 683 532</b>	<b>3 962 423</b>

**3 LONG-TERM LIABILITIES**

Annuity Loans	9 231 647	9 921 023
Sub-total	9 231 647	9 921 023
Less : Current portion transferred to current liabilities	-772 129	-504 823
	-	-
Annuity Loans	-772 129	-504 823
<b>Total External Loans - At fair value</b>	<b>8 459 518</b>	<b>9 416 200</b>

The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with AC 105 (Leases) with regards to the recognition of operating lease payments / receipts on a straight line basis if the amount is recognised on the basis of the cash flows in the lease agreement. [SAICA Circular 12/06 paragraphs 8-11 and paragraphs 33, 34, 50, 51 of AC 105]

	2007 R	2006 R
<b>4 NON-CURRENT PROVISIONS</b>		
Medical/ Retirement Fund	996 560	1 000 000
Provision for long-service	42 484	65 783
<b>Total Non-Current Provisions</b>	<b>1 039 044</b>	<b>1 065 783</b>

The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with AC 116 (Employee Benefits) with regards to defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information. (paragraphs 29, 48-119, 120A(c) – (q))

**4 NON-CURRENT PROVISIONS (continued)**

The movement in the non-current provisions are reconciled as follows: -

**30-Jun-07**

	<b>Medical/ Retirement Fund</b>	<b><u>Long-service</u></b>
Balance at beginning of year	1 000 000	65 783
Transfer to current provision	-536 000	-44 660
Expenditure incurred	-	-
Increase in provision due to discounting	-	-
Transfer from current provisions	532 560	21 361
<b>Balance at end of year</b>	<b><u>996 560</u></b>	<b><u>42 484</u></b>

**30-Jun-06**

Balance at beginning of year	1 000 000	65 783
Transfer to current provision	-	-
Expenditure incurred	-	-
Increase in provision due to discounting	-	-
Transfer from current provisions	-	-
<b>Balance at end of year</b>	<b><u>1 000 000</u></b>	<b><u>65 783</u></b>

Municipality is in the process of determining both provisions, but a temporary provision was determined during the GRAP conversion

**5 CONSUMER DEPOSITS**

Electricity, Water & Cleansing

	<b>2007 R</b>	<b>2006 R</b>
Electricity, Water & Cleansing	786 896	773 685
<b>Total Consumer Deposits</b>	<b><u>786 896</u></b>	<b><u>773 685</u></b>
<b>Guarantees held in lieu of Electricity and Water Deposits</b>	<b><u>26 655</u></b>	<b><u>26 655</u></b>

**6 PROVISIONS**

Performance bonus	212 001	190 762
Current portion of Medical/ Retirement Fund (see note 4 above)	536 000	532 560
Current portion of long-service provision (see note 4 above)	44 660	21 361
<b>Total Provisions</b>	<b><u>792 661</u></b>	<b><u>744 683</u></b>

Performance bonuses accrue to employees on an annually basis, subject to certain conditions. The provision is an estimate of the amount due to staff at the reporting date.

The movement in current provisions are reconciled as follows: -

	<b><u>Current portion Medical/ Retirement Fund</u></b>	<b><u>Performance Bonus</u></b>	<b><u>Current portion Long-service</u></b>
<b>30-Jun-07</b>			
Balance at beginning of year	532 560	190 762	21 361
Transfer to non-current	-532 560	-	-21 361
Contributions to provision	536 000	212 000	44 660
Expenditure incurred	-	-190 762	-



BEAUFORT WEST MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Balance at end of year

536 000	212 001	44 660
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6 PROVISIONS (continued)

30-Jun-06

Balance at beginning of year	532 560	190 762	21 361
Transfer to non-current	-	-	-
Contributions to provision	-	-	-
Expenditure incurred	-	-	-
<b>Balance at end of year</b>	<b>532 560</b>	<b>190 762</b>	<b>21 361</b>

2007  
R

2006  
R

7 CREDITORS

Other Creditors	1 540 939	5 936 261
Payments received in advance	213 893	
Staff leave	1 612 830	
<b>Total Creditors</b>	<b>3 367 662</b>	<b>5 936 261</b>

8 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

8.1 Conditional Grants from other spheres of Government

	15 090 751	10 757 430
Provincial Grants	5 226 991	5 191 847
MIG Grants	92 040	328 781
National Grants	8 829 163	3 702 589
Eskom	78 986	636 940
Central Karoo District Municipality	147 529	1 691
Local Economic Development (LED)	359 980	380 880
National Lotto	356 062	514 703
Grants		

8.2 Other Conditional Receipts

	10 634	11 335
Developers Contributions – Electricity	-	-
Private Contribution	10 634	9 916
Public contributions	-	1 419
<b>Total Conditional Grants and Receipts</b>	<b>15 101 385</b>	<b>10 768 764</b>

The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with the following requirements of AC 134 (Accounting for Government Grants):

· Entire standard excluding paragraphs 24 and 26, replaced by paragraph 08 of GAMAP 12, paragraph 25 of GAMAP 17 and paragraphs 42 – 46 of GAMAP 9.

9 VAT

VAT payable	2 115 018	1 901 188
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Vat is payable on the receipts basis. Only once payment is received from debtors, VAT is paid over to SARS.

10 SHORT-TERM LOANS

Call Bonds	-	-
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BEAUFORT WEST MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
<b>15 INVENTORY</b>		
Consumable stores – at cost	1 242 309	785 404
Water – at cost	42 679	39 088
	-	-
<b>Total Inventory</b>	<b>1 284 988</b>	<b>824 492</b>

The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with the following requirements of GAMAP 12 (Inventories):

- The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP 17
- The entire standard to the extent that it relates to water stock that was not purchased by the municipality.

	Gross Balance	Provision for Bad Debts	Nett Balance
As at 30 June 2007			
Service debtors	33 336 894	-14 520 940	18 815 954
Rates	4 631 714		
Electricity	2 048 778		
Water	4 602 183		
Sewerage	5 746 835		
Refuse	2 880 966		
Others	13 426 419		
Housing rentals	459 206	-	459 206
	-	-	-
<b>Total</b>	<b>33 796 100</b>	<b>-14 520 940</b>	<b>19 275 160</b>

As at 30 June 2006			
Service debtors	26 871 865	-12 973 403	13 898 462
Rates	3 760 007		
Electricity	1 583 198		
Water	3 623 739		
Sewerage	4 899 731		
Refuse	2 193 955		
Others	10 811 237		
Housing rentals	426 983	-	426 983
	-	-	-
<b>Total</b>	<b>27 298 848</b>	<b>-12 973 403</b>	<b>14 325 445</b>

**Rates: Ageing**

Current (0 – 30 days)	925 302	918 984
31 - 60 Days	192 834	146 278
61 - 90 Days	168 804	103 850
> 90 Days	3 401 425	2 590 895
<b>Total</b>	<b>4 688 365</b>	<b>3 760 007</b>

**(Electricity, Water, Refuse, Sewerage and Other): Ageing**

Current (0 – 30 days)	3 046 600	2 872 306
31 - 60 Days	1 168 823	623 166
61 - 90 Days	709 748	374 056

BEAUFORT WEST MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

> 90 Days	24 748 510	20 345 212
<b>Total</b>	<b>29 673 680</b>	<b>24 214 740</b>

**16 CONSUMER DEBTORS (continued)**

**Other Debtors: Ageing (Sundry Debtors and VAT)**

Current (0 – 30 days)		14 389
31 - 60 Days		5 968
61 - 90 Days		5 772
> 90 Days		5 683
		5 649
		389 522
<b>Total</b>	<b>-</b>	<b>426 983</b>

**Summary of Debtors by Customer Classification**

**30-Jun-07**

	<b>Consumers</b>	<b>Industrial/ Commercial</b>	<b>National and Provincial Government</b>
	<b>R</b>	<b>R</b>	<b>R</b>
Current (0 – 30 days)	3 483 898	442 117	45 237
31 - 60 Days	1 213 178	130 452	17 847
61 - 90 Days	842 400	25 447	10 705
> 90 Days	27 080 603	300 052	769 280
Sub-total	32 620 079	898 068	843 069
Less: Provision for bad debts	-	-	-
<b>Total debtors by customer classification</b>	<b>32 620 079</b>	<b>898 068</b>	<b>843 069</b>

**Summary of Debtors by Customer Classification**

**30-Jun-06**

	<b>Consumers</b>	<b>Industrial/ Commercial</b>	<b>National and Provincial Government</b>
	<b>R</b>	<b>R</b>	<b>R</b>
Current (0 – 30 days)	-	-	-
31 - 60 Days	-	-	-
61 - 90 Days	-	-	-
> 90 Days	-	-	-
Sub-total	-	-	-
Less: Provision for bad debts	-	-	-
<b>Total debtors by customer classification</b>	<b>-</b>	<b>-</b>	<b>-</b>

**17 OTHER DEBTORS**

Sundry Debtors	648 513	2 270 219
Unpaid Conditional Grants	89 682	89 682
<b>Total Other Debtors</b>	<b>738 195</b>	<b>2 359 901</b>

<b>17.1 VAT receivable</b>	<b>2 610 200</b>	<b>2 050 535</b>
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**18 CALL INVESTMENT DEPOSITS**

Other Deposits	20 080 681	15 415 728
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The deposits are ringfenced in order to finance unspent conditional grants.

**BEAUFORT WEST MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

(See note 8)

	2007 R	2006 R
<b>19 BANK, CASH AND OVERDRAFT BALANCES</b>		
The Municipality has the following bank accounts: -		
<b><u>Current Account (Primary Bank Account)</u></b>		
Bank ABSA Beaufort West		
Account Number 40 5053 8936		
Cash book balance at beginning of year	-5 987 351	-6 205 422
Cash book balance at end of year (overdrawn)	-3 137 375	-5 987 351
Bank statement balance at beginning of year	788 313	1 122 643
Bank statement balance at end of year	1 165 556	788 313
<b><u>SBR Housing Account (Absa Bank Beaufort West - Account Number: 40 5068 4777)</u></b>		
Cash book balance at beginning of year	-838 411	-1 191 347
Cash book balance at end of year (overdrawn)	-426 449	-838 411
Bank statement balance at beginning of year	-802 731	-1 152 991
Bank statement balance at end of year	-376 456	-802 731
<b><u>IDT Housing Account (Absa Bank Beaufort West - Account Number: 15 4015 0288)</u></b>		
Cash book balance at beginning of year	-35 224	-15 794
Cash book balance at end of year (overdrawn)	-34 601	-35 224
Bank statement balance at beginning of year	18 808	42 704
Bank statement balance at end of year	15 399	18 808
Petty Cash	9 950	10 050
Bank statement balance	-	-
<b>20 PROPERTY RATES</b>		
<b><u>Actual</u></b>		
Residential, Commercial, State	13 555 442	
Less: Income for Gone	-2 429 560	
	-	-
<b>Total Assessment Rates</b>	<b>11 125 881</b>	
<b><u>Valuations</u></b>	<b><u>July 2006</u></b>	<b><u>July 2005</u></b>
	<b><u>R000's</u></b>	<b><u>R000's</u></b>
Land	334 342 926	336 346 501
Buildings	426 665 967	430 122 927
	<b>761 008 893</b>	<b>766 469 428</b>

**BEAUFORT WEST MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

Valuations on land and buildings are performed every three to five years. The last valuation came into effect on 1 July 2003. Interim valuations are processed on a yearly basis to take into account changes in individual property values due to alterations and subdivisions. A general rate of R0.02741 for Beaufort West, R0.02303 for Merweville, R 0.01820 for Nelspoort and R0.0055 for the Rural properties is applied to property valuations to determine assessment rates. Rebates as set out here below are granted to some residential and state property owners. Rates are levied on an annual basis with the final date of payment being 30 September 2006. Interest at % per annum is levied on outstanding rates. Prime + 1%

Rebates on Income

R 0 - R950 pm = 35 %

R 951 - R1180 pm = 25 %

R 1181 - R 1700 = 15 %

	2007 R	2006 R
<b>21 SERVICE CHARGES</b>		
Sale of electricity	-	-
Sale of electricity	21 041 917	18 615 701
Sale of water	8 520 107	8 136 644
Refuse removal	2 790 446	2 498 641
Sewerage and sanitation charges	6 489 549	5 964 049
	-	-
	-	-
<b>Total Service Charges</b>	<b>38 842 018</b>	<b>35 215 035</b>

**22 GOVERNMENT GRANTS AND SUBSIDIES**

Equitable share	9 433 967	7 251 774
Provincial LED Projects		-232 360
Capital Grants & Subsidies		18 717 821
Main Road Subsidy		89 682
Provincial health subsidies		-
MIG Grant	775 835	-1 644 096
Contribution FMG	596 175	
Contribution D W A F	285 604	
Contribution DME	584 246	
Contribution ESKOM	253 473	
Contribution Nelspoort	629 634	
Contribution MSIG	649 951	
Contribution Project Preparation	33 402	
Contribution PA W C ;	10 369 642	
Government Grants	60 559	
MSIG Project Cons.	26 533	
Nasional Lottery	204 506	
	-	
<b>Total Government Grant and Subsidies</b>	<b>23 903 527</b>	<b>24 182 821</b>

**22.1 Equitable Share**

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidised as follow:

Income	Beaufort West	Merweville	Nelspoort
0-200	174.14	118.40	36.14
201-780	122.90	95.25	36.14
781-1560	97.05	69.08	36.14

**BEAUFORT WEST MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

**22.2 Provincial Health Subsidies**

Balance unspent at beginning of year	-	-
Current year receipts - included in public health vote	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities (see note 7)	-	-

The Municipality renders health services on behalf of the Provincial Government and is refunded approximately 80% of total expenditure incurred. This grant has been used exclusively to fund clinic services (included in the public health vote in Appendix D). The conditions of the grant have been met. There was no delay or withholding of the subsidy

<b>22 GOVERNMENT GRANTS AND SUBSIDIES (continued)</b>	<b>2007</b>	<b>2006</b>
	<b>R</b>	<b>R</b>

**22.3 MIG Grant**

Balance unspent at beginning of year	328 781	1 178 095
Current year receipts	88 353	794 782
Conditions met - transferred to revenue	325 093	1 644 096
Conditions still to be met - transferred to liabilities (see note 7)	92 040	328 781

This grant was used to construct roads and sewerage infrastructure as part of the upgrading of informal settlement areas (included in the roads and sewerage votes in Appendix B). No funds have been withheld.

**22.4 Provincial LED Projects**

Balance unspent at beginning of year	380 880	585 593
Current year receipts	29 797	27 646
Conditions met - transferred to revenue	50 696	232 360
Conditions still to be met - transferred to liabilities (see note 7)	359 980	380 880

Provincial LED Projects grants are used to promote Small, Medium and Micro Enterprises. The grant is spent in accordance with a business plan approved by the Provincial Government (included in Council General vote in Appendix D). No funds have been withheld.

**22.5 Changes in levels of government grants**

Based on the allocations set out in the Division of Revenue Act, (Act ...of 2005), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

**22.6 National Grants**

Balance unspent at beginning of year	3 702 589	1 631 319
Current year receipts	8 481 241	4 986 743
Conditions met - transferred to revenue	3 354 666	2 915 473
Conditions still to be met - transferred to liabilities (see note 7)	8 829 163	3 702 589

This amount consist out of variance different grants and purposes.

**22.7 Provincial Grants**

Balance unspent at beginning of year	5 191 847	3 357 934
Current year receipts	9 899 710	15 121 316
Conditions met - transferred to revenue	9 864 566	13 287 403
Conditions still to be met - transferred to liabilities (see note 7)	5 226 991	5 191 847

This amount consist out of variance different grants and purposes.

**22.8 Eskom**

Balance unspent at beginning of year	636 940	695 669
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**BEAUFORT WEST MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

Current year receipts	294 838	170 338
Conditions met - transferred to revenue	852 792	229 067
Conditions still to be met - transferred to liabilities (see note 7)	78 986	636 940

Electrification of Central Karoo Rural Areas.

**22.9 Public Contributions**

Balance unspent at beginning of year	11 335	12 965
Current year receipts	770	5 506
Conditions met - transferred to revenue	1 470	7 137
Conditions still to be met - transferred to liabilities (see note 7)	10 634	11 335

Public Contribution for future development of various projects.

	<b>2007</b>	<b>2006</b>
	<b>R</b>	<b>R</b>

**22 GOVERNMENT GRANTS AND SUBSIDIES (continued)**

**22.10 National Lottery**

Balance unspent at beginning of year	514 703	496 646
Current year receipts	47 315	968 761
Conditions met - transferred to revenue	205 955	950 705
Conditions still to be met - transferred to liabilities (see note 7)	356 062	514 703

The Grant was used to construct and upgrading of Rustdene Sport facility

**22.11 District Municipality**

Balance unspent at beginning of year	1 691	1 354
Current year receipts	150 059	337
Conditions met - transferred to revenue	4 222	-
Conditions still to be met - transferred to liabilities (see note 7)	147 529	1 691

The Grant was used for the development of the Abattoir Business Plan.

**23 OTHER INCOME**

Other income	1 577 481.75	1 505 664
Recovery of unauthorised, irregular, fruitless and wasteful expenditure	-	-
	-	-
<b>Total Other Income</b>	<b>1 577 482</b>	<b>1 505 664</b>

**24 EMPLOYEE RELATED COSTS**

Employee related costs - Salaries and Wages	24 118 677	21 463 441
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Standby Allowances	925 931
Housing Subsidy	197 042
Bonus	1 619 887
Essential Users	612 436
Overtime	1 058 990
Long Service Awards	10 500
Salaries	18 525 615
Telephone allowances	-
Uniform Allowance	10 500
Leave	4 677
Leave Reserve Fund	744 676
Transport Allowance	408 423

Employee related costs - Social contributions	4 034 321	3 836 479
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Group Insurance	22 502
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**BEAUFORT WEST MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

Skill Development Levy	-
Medical Aid Contribution	1 048 518
Provident Fund SAMWU	236 090
Pension Fund Contribution	2 555 530
Unemployment Fund	171 681

**24 EMPLOYEE RELATED COSTS (continued)**

	<b>2007</b>	<b>2006</b>
Performance bonus	-	-
Long-service awards	-	-
Less: Employee costs capitalised to Property, Plant and Equipment	-	-
Less: Employee costs included in other expenses	-	-
<b>Total Employee Related Costs</b>	<b>28 152 999</b>	<b>25 299 920</b>

**Remuneration of the Municipal Manager**

Annual Remuneration	494 325	341 183
Performance Bonuses	37 908	58 403
Car Allowance	77 598	136 998
Medical and pension funds	65 120	56 569
	-	-
<b>Total</b>	<b>674 950</b>	<b>593 153</b>

**Remuneration of Chief Financial Officer**

Annual Remuneration	285 561	273 549
Performance Bonuses	39 962	-
Car Allowance	108 000	96 035
Medical and pension funds	41 708	43 679
	-	-
<b>Total</b>	<b>475 231</b>	<b>413 263</b>

**Remuneration of Individual Executive Directors**

**30-Jun-07**

	<b>Engineering Services R</b>	<b>Corporate Services R</b>	<b>Electrical Services R</b>
Annual Remuneration	346 765	-	298 008
Performance Bonuses	40 435	-	39 504
Car Allowance	70 784	-	71 971
Medical and pension funds	62 555	-	54 019
	-	-	-
<b>Total</b>	<b>520 539</b>	<b>-</b>	<b>463 502</b>

**30-Jun-06**

	<b>Engineering Services R</b>	<b>Corporate Services R</b>	<b>Electrical Services R</b>
Annual Remuneration	274 870	317 218	274 029
Performance Bonuses	38 145	35 762	37 362
Car Allowance	70 748	65 567	71 899
Medical and pension funds	66 622	56 262	62 652

BEAUFORT WEST MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

<b>Total</b>	<b>450 385</b>	<b>474 809</b>	<b>445 942</b>
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**Remuneration of Individual Executive Directors**  
**30-Jun-07**

	<b><u>Community</u></b> <b><u>Services</u></b>	<b><u>Traffic</u></b> <b><u>Services</u></b>
	<b>R</b>	<b>R</b>
Annual Remuneration	230 591	-
Performance Bonuses	-	-
Car Allowance	55 000	-
Medical and pension funds	22 885	-
<b>Total</b>	<b>308 476</b>	<b>-</b>

**24 EMPLOYEE RELATED COSTS (continued)**

	<b><u>Community</u></b> <b><u>Services</u></b>	<b><u>Traffic</u></b> <b><u>Services</u></b>
	<b>R</b>	<b>R</b>
Annual Remuneration	-	256 747
Performance Bonuses	-	30 994
Car Allowance	-	59 899
Medical and pension funds	-	24 438
<b>Total</b>	<b>-</b>	<b>372 078</b>
	<b>2007</b>	<b>2006</b>
	<b>R</b>	<b>R</b>

**25 REMUNERATION OF COUNCILLORS**

Executive Mayor	306 995	183 019
Deputy Executive Mayor	207 097	140 942
Speaker	243 968	140 942
Mayoral Committee Members	199 003	132 132
Councillors	950 398	356 758
Councillors' pension contribution	109 819	77 113
Councillors' medical aid	45 900	23 071
Councillors' car allowance	604 469	255 103
Councillors' housing subsidy	25 497	151 956
Office Accomodation	4 680	
Telephone Allowance	126 614	
<b>Total Councillors' Remuneration</b>	<b>2 824 441</b>	<b>1 461 036</b>

***In-kind Benefits***

The Executive Mayor, Deputy Executive Mayor, Speaker and one other councillor are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor has the use of a Council owned vehicle for official duties.

**26 INTEREST PAID**

Long-term liabilities	1 185 386	1 394 152
Bank overdrafts	23 188	36 114
<b>Total Interest on External Borrowings</b>	<b>1 208 574</b>	<b>1 430 266</b>

**BEAUFORT WEST MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

**27 BULK PURCHASES**

Electricity	9 851 802	8 870 031
Water	526 845	379 743
<b>Total Bulk Purchases</b>	<b>10 378 648</b>	<b>9 249 774</b>

**28 GRANTS AND SUBSIDIES PAID**

Equitable share	3 936 885	
Donations	9 250	
		-
<b>Total Grants and Subsidies</b>	<b>3 946 135</b>	<b>-</b>

**29 GENERAL EXPENSES**

Included in general expenses is the following:-

28.1 Flood damage	-	-
28.2 Net exchange differences	-	-
28.2 Material losses	-	-

Refer to Appendix G for detail list

**30 SURPLUS OF ASSOCIATE**

Share of retained profit on the equity method	-	-
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**31 CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GAMAP**

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GAMAP: -

**31.1 Statutory Funds**

**Balance previously reported: -**

Revolving Fund	-	20 223 255
Bursary Fund		46 002
Civil Defence Fund	-	61 539
Dr Brummer Town Hall Fund	-	343 915
Mayor Trust Fund	-	2 279
Sport Trust Fund	-	19 922
Behuising Werkskepping	-	51 869
Repair Fund	-	53 831
Swimming pool & other Sport facility Fund	-	5 190
Job Creation Grant Fund	-	14 065
Hawker Fund	-	9 371
Repair Fund Pauper Rooms	-	4 509
Operating Capital reserve Fund	-	1 801 335
Dog Tax Fund	-	32 512
Parking Development Fund	-	2 420
Self Insurance Reserve	-	254 795
	-	-
<b>Total</b>	<b>-</b>	<b>22 926 807</b>

**Implementation of GAMAP**

Transferred to the Capital Replacement Reserve

**BEAUFORT WEST MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

Transfer to the Self Insurance Reserve	-	251 322
Transferred to the Capitalisation Reserve	-	-
Transferred to Accumulated Surplus/(Deficit) (see 31.8 below)	-	22 675 486
<b>Total</b>	<b>-</b>	<b>22 926 807</b>

**31.2 Loans Redeemed and Other Capital Receipts**

<b>Balance previously reported</b>		<b>131 565 826</b>
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**Implementation of GAMAP**

**Redemption and depreciation periods differ**

Internal Loans per Appendix B - IMFO		2 859 369
Internal Loans per asset register - Book value	-	2 946 500
Transferred to Accumulated Surplus/(Deficit) (see 31.8 below)	-	-87 131
Outstanding Internal Loans Transfer to Capitalisation Reserve		2 946 500
Transferred to Government Grant Reserve		63 736 340
Transferred to Donations and Public Contribution Reserve	-	-
Transferred to Accumulated Surplus/(Deficit) (see 31.8 below)	-	64 970 117
<b>Total</b>	<b>-</b>	<b>131 565 826</b>

	<b>2007</b>	<b>2006</b>
<b>31 CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GAMAP (continued)</b>	<b>R</b>	<b>R</b>

**31.3 Provisions and Reserves**

**Balance previously reported**

Valuation Roll Reserve		
Staff Bursary Reserve		
<b>Total</b>	<b>-</b>	<b>-</b>

**Implementation of GAMAP**

Transferred to Accumulated Surplus/(Deficit) (see 31.8 below)	-	-
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**31.4 Inventory**

**Balance previously reported**

	-	-
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**Implementation of GAMAP**

Transferred to Accumulated Surplus/(Deficit) (see 31.8 below)	-	-
Water previously expensed now shown as inventory	-	-
Write-down of spare parts to realisable value	-	-
Write-down of unsold properties to realisable value	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**31.5 Non-current provisions**

**Balance previously reported**

	-	-
--	---	---

**Implementation of GAMAP**

Transferred from Accumulated Surplus/(Deficit) (see 31.8 below)	-	1 810 466
Medical/ Retirement Fund	-	1 532 560
Provision for long-service	-	87 144
Performance bonus	-	190 762
<b>Total</b>	<b>-</b>	<b>1 810 466</b>

**31.6 Property, plant and equipment**

<b>Balance previously reported</b>	<b>158 023 531</b>	<b>144 721 608</b>
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**Implementation of GAMAP**

Assets transfer from asset register	1 465 349	-3 473 677
<b>Total</b>	<b>159 488 880</b>	<b>141 247 931</b>

**31.7 Accumulated Depreciation**

<b>Balance previously reported</b>	<b>64 771 235</b>	<b>-</b>
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**Implementation of GAMAP**

Backlog depreciation: Land and buildings	-	-
Backlog depreciation: Infrastructure	-1 956 349	40 124 622
Backlog depreciation: Community	-201 232	5 304 294

**BEAUFORT WEST MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

Backlog depreciation: Heritage	-5 511	85 965
Backlog depreciation: Lease	-	-
Backlog depreciation: Housing	-352 253	6 654 812
Backlog depreciation: Other	107 759	6 164 151
Backlog depreciation: Housing Development Fund	-	-
<b>Total (debited to Accumulated Surplus/(Deficit)) (see 31.8 below)</b>	<b>-2 407 585</b>	<b>58 333 844</b>

**31.8 Accumulated Surplus/(Deficit)**

**Implementation of GAMAP**

Adjustments to inventory (see 31.4 above)	-	-
Excessive provisions and reserves no longer permitted (see 31.3 above)	-	-
Non-current provisions previously not recognised (see 31.5 above)	-	-1 810 466
Transferred from statutory funds (see 31.1 above)	-	22 675 486
Transferred from Loans Redeemed and Other Capital Receipts (see 31.2 above)	-	64 882 985
Fair value of Property, Plant and Equipment previously not recorded (see 31.6 above)	1 465 349	-3 473 677
Backlog depreciation (see 31.7 above)	2 407 585	-58 333 844
Advances to Departments	-	-
<b>Total</b>	<b>3 872 934</b>	<b>23 940 484</b>

	<b>2007</b>	<b>2006</b>
<b>32 CHANGE IN ACCOUNTING POLICY</b>	<b>R</b>	<b>R</b>

-	-
-	-

**33 CORRECTION OF ERROR**

-	-
-	-

**34 CASH GENERATED BY OPERATIONS**

Net surplus for the year	14 598 529.46	-8 895 167.72
Adjustment for:-	-	-
Depreciation	7 595 885.00	6 732 717.20
Gain on disposal of property, plant and equipment	-2 174 223.23	-111 800.00
Investment income	-448 426.65	-275 766.00
Interest paid	1 208 574.47	1 430 266.00
<b>Operating surplus before working capital changes:</b>	<b>20 780 339.05</b>	<b>-1 119 750.52</b>
(Increase) in inventories	-460 495.54	-89 778.78
(Increase)/decrease in debtors	-4 949 714.81	10 817 056.86
(Increase)/decrease in other debtors	1 621 706.16	7 936 518.39
(Decrease)/increase in unutilised conditional grants and receipts	4 332 621.28	3 505 987.93
(Increase)/decrease in unpaid conditional grants and receipts	-	-78 053.00
(Decrease)/Increase in creditors	-2 568 598.79	2 156 434.65
(Increase)/Decrease in provisions	21 238.50	-1 065 717.08
(Decrease)/Increase in VAT	-345 834.94	-277 960.59
<b>Cash generated by/(utilised in) operations</b>	<b>18 431 260.91</b>	<b>21 784 737.86</b>

**35 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the cash flow statement comprise the following statement of

Bank Balances and Cash	-5 987 351
Investments	20 080 681
Bank Overdraft	-3 137 375
	<b>16 943 306</b>
	<b>9 428 377</b>

### 36 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term liabilities (see Note 3)	9 231 647	9 921 023
Used to finance property, plant and equipment – at cost	9 231 647	9 921 023
Sub- total	-	-
Cash set aside for the repayment of long-term liabilities	-	-
<b>Cash invested for repayment of long-term liabilities</b>	<b>-</b>	<b>-</b>

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. The Annuity Loans carry interest of between 9.75 % and 17.50 % and will be repaid by 2021

### 37 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

#### Unauthorised expenditure

Reconciliation of unauthorised expenditure		
Opening balance	-	-
Unauthorised expenditure current year	-	-
Approved by Council or condoned	-	-
Transfer to receivables for recovery (note 22)	-	-
Unauthorised expenditure awaiting authorisation	-	-

Incident	Disciplinary steps/criminal proceedings

#### Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure		
Opening balance	-	-
Fruitless and wasteful expenditure current year	-	-
Condoned or written off by Council	-	-
To be recovered – contingent asset (see note 40)	-	-
Fruitless and wasteful expenditure awaiting condonement	-	-

Incident	Disciplinary steps/criminal proceedings

#### Irregular expenditure

Reconciliation of irregular expenditure		
Opening balance	-	-
Fruitless and wasteful expenditure current year	-	-
Condoned or written off by Council	-	-
Transfer to receivables for recovery – not condoned	-	-
Irregular expenditure awaiting condonement	-	-

Incident	Disciplinary steps/criminal proceedings

**38 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**

**38.1 Contributions to organized local government**

Opening balance	-	-
Council subscriptions	106 239	-
Amount paid - current year	-106 239	-
Amount paid - previous years	-	-
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>

**38.2 Audit fees**

Opening balance	-	365 000
Current year audit fee	475 263	-
Amount paid - current year	-475 263	-365 971
Adjustments	-	971
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>

**2007**                      **2006**  
**R**                                      **R**

**38 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)**

**38.3 VAT**

495 182	149 347
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VAT inputs receivables as shown in Note 17.1 and VAT outputs receivables are shown in note 9. All VAT returns have been submitted by the due date throughout the year.

**38.4 PAYE and UIF**

Opening balance	3 467	198
Current year payroll deductions	3 018 617	2 647 213
Amount paid - current year	-3 018 617	-2 643 944
Amount paid - previous years	-2 307	-
<b>Balance unpaid (included in creditors)</b>	<b>1 160</b>	<b>3 467</b>

The balance represents PAYE and UIF deducted from the June 2007 payroll. These amounts were paid during July 2007.

**38.5 Pension and Medical Aid Deductions**

Opening balance	3 356	198
Current year payroll deductions and Council Contributions	5 448 683	5 928 506
Amount paid - current year	-5 448 683	-5 925 348
Amount paid - previous years	-295	-
<b>Balance unpaid (included in creditors)</b>	<b>3 061</b>	<b>3 356</b>

The balance represents pension and medical aid contributions deducted from employees in the June 2007 payroll as well as Council's contributions to pension and medical aid funds. These amounts were paid during July 2007.

**38.6 Councillor's arrear consumer accounts**

The following Councillors had arrear accounts outstanding for more than 90 days as at: -

BEAUFORT WEST MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

30-Jun-07	<u>Total</u>	<u>Outstanding less than 90 days</u>	<u>Outstanding more than 90 days</u>
Councillor Damen	5 120	13	5 107
Councillor Njadu	12 532	726	11 806
	-	-	-
<b>Total Councillor Arrear Consumer Accounts</b>	<b>17 652</b>	<b>739</b>	<b>16 913</b>

  

30-Jun-06	<u>Total</u>	<u>Outstanding less than 90 days</u>	<u>Outstanding more than 90 days</u>
Councillor Toto	6 095	501	5 594
Councillor Damen	5 012	411	4 601
Councillor Motsoane	10 434	762	9 672
Councillor Njadu	16 401	902	15 499
Councillor van Wyk	2 140	193	1 947
Councillor Prince	833	-	833
<b>Total Councillor Arrear Consumer Accounts</b>	<b>40 915</b>	<b>2 769</b>	<b>38 146</b>

2007  
R

2006  
R

38 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)

During the year the following Councillors' had arrear accounts outstanding for more than 90 days

	<u>Highest Amount Outstanding</u>	<u>Ageing</u>
<b>30-Jun-07</b>		
Councillor Damen	5 754	150 days
Councillor Toto	5 756	150 days
Councillor Motsoane	11 054	150 days
Councillor Njadu	14 772	150 days
<b>30-Jun-06</b>		
Councillor Toto	5 594	120 days
Councillor Damen	4 601	120 days
Councillor Motsoane	9 938	120 days
Councillor Njadu	15 499	120 days
Councillor van Wyk	1 947	120 days
Councillor Prince	833	150 days

**38.7 Non-Compliance with Chapter 11 of the Municipal Finance Management Act**

The supply chain management implementation report was submitted to Council only on 23 August 2007.  
The supply chain management quarterly implementation reports were submitted late.

**38.8 Award quotation - Section 45 - Supply Chain Management**

Refer to Memorandum 2/B on 12 July 2007 by the Director: Financial Services to the Municipal Manager on Deviations from and Ratifications of Minor breaches of Procurement processes. Refer To Appendix I.

**38.9 Withdrawals from municipal bank accounts - Section 11(4) of the MFMA**

The quarterly reports as required by section 11(4) of the MFMA was not submitted within 30 days after the end of each quarter. The reports were submitted late.

**38.10 Section 52(d) of the MFMA - Report on the implementation of the budget**



**BEAUFORT WEST MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

The reports were prepared but submitted to Council only on one occasion

**38.11 Section 54(1) - Budgetary control and early identification of financial problems**

The reports were prepared but submitted to Council only on one occasion

**38.12 Mid-year budget and performance assessment - Section 72 of the MFMA**

The mid-year performance assessment was done but the report was submitted to Council on 31 January 2007 instead of on 25 January 2007.

**38.13 Section 16(2) of the MFMA - Annual Budgets**

The draft budget was prepared but not submitted to Council within the prescribed timeframe.

**39 CAPITAL COMMITMENTS**

Commitments in respect of capital expenditure:

- Approved and contracted for

*Infrastructure*

*Community*

*Heritage*

*Other*

*Housing Development Fund*

*Investment Properties*

12 075 571

20 403 031

9 879 300

20 403 031

1 590 980

-

3 950

-

601 341

-

-

-

-

-

- Approved but not yet contracted for

*Infrastructure*

*Community*

*Heritage*

*Other*

*Housing Development Fund*

*Investment Properties*

4 816 591

6 382 744

3 979 839

6 382 744

836 752

-

-

-

-

-

-

-

-

-

**Total**

**16 892 162**

**26 785 775**

This expenditure will be financed from:

- External Loans

- Capital Replacement Reserve

- Government Grants

- Own resources

- District Council Grants

274 648

903 308

267 550

-

16 349 963

25 138 377

-

744 090

-

-

**16 892 162**

**26 785 775**

**40 RETIREMENT BENEFIT INFORMATION**

**BEAUFORT WEST MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007**

All Councillors and employees belong to 5 defined benefit retirement funds administered by the Provincial Pension Fund. These funds are subject to a triennial actuarial valuation. The last valuation was performed in 2006. These valuations indicate that the funds are in a sound financial position.

**41 CONTINGENT LIABILITY**

Guarantees in respect of housing loans

4 850	4 850
-------	-------

Department of Minerals and Energy Affairs  
Eskom

6 000	6 000
75 700.00	75 700.00

**42 CONTINGENT ASSET**

No contingent asset exist as at yer-end.

**43 IN-KIND DONATIONS AND ASSISTANCE**

The Municipality did not receive any in-kind donations and assistance during the year.

**44 Financial Instruments**

**Financial Risk Management**

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising Currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

**(a) Foreign exchange currency risk**

*The municipality does not engage in foreign currency transactions.*

**(b) Interest rate Risk**

The Municipality is mainly exposed to interest rate risk due to the movements in long-term and short term interest rates.  
This risk is managed on an ongoing basis.

**(c) Credit Risk**

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly from cash and cash equivalents, instruments and deposits with banks and financial institutions, as well as credit exposures to consumer and grant debtors.

<b>2007</b>	<b>2006</b>
<b>R</b>	<b>R</b>

For banks and financial institutions, only independently rated parties with a minimum rating of 'B+' are accepted. Grants are receivable from higher order levels of government. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. This increases the credit risk in respect of consumer debtors. The risk of non- payment is managed on an ongoing basis and where practical, services are terminated and procedures applied to recover outstanding amounts owing and an appropriate level of impairment provision for default is maintained.

#### **44 Financial Risk Management (continued)**

##### **(d) Liquidity Risk**

Liquidity risk is the risk that the municipality will encounter difficulty in raising funds to meet commitments associated with financial liabilities.

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

The financial liabilities of the municipality are backed by appropriate assets and it has adequate liquid resources. The Council monitors the cash projections and by ensuring that borrowing facilities are available to meet its cash requirements.

#### **45 PRIVATE PUBLIC PARTNERSHIPS**

Council has not entered into any private public partnerships during the financial year 2006/2007

**2007**  
**R**

**2006**  
**R**

#### **46 EVENTS AFTER THE REPORTING DATE**

There are no reporting events after reporting date.

#### **47 PREPARATION OF FINANCIAL STATEMENTS**

The 2006/07 Annual Financial Statements was prepared on 30 August 2007 according to the latest Specimen Municipal Annual Financial Statements issued by Circular 36 by National Treasury on 9 June 2006.

#### **48 RELATED PARTY TRANSACTION**

Council has made payments during the year amounting to R 4 350.47 to the Central Karoo Leather Products of which Councillor Maria Matunzi is a director.

## 11. PROPERTY, PLANT AND EQUIPMENT

[illegible]

BEAUFORT WEST MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

11. PROPERTY, PLANT AND EQUIPMENT (continued)

30-Jun-06									
Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Heritage	Other	Housing Develop. Fund	Leased Infrastructure	Investment Properties	Total
	R	R	R	R	R	R	R	R	R
Carrying values at 1 July 2005		42 798 418	28 468 689	641 634	2 357 002	6 778 725	-	1 869 615	82 914 088
Cost	-	83 438 243	34 169 354	731 112	11 064 422	13 448 863	-	1 869 615	144 721 608
Correction of error ( note 32)	-	-	-	-	-	-	-	-	-
Non Capital	-	-515 202	-396 371	-3 512	-2 543 269	-15 322	-	-	-3 473 676
Accumulated depreciation	-	-40 124 622	-5 304 294	-85 965	-6 164 151	-6 654 812	-	-	-58 333 844
Cost	-	-40 474 357	-5 498 522	-87 723	-7 403 517	-6 657 952	-	-	-60 122 071
Non Capital	-	349 735	194 228	1 758	1 239 366	3 140	-	-	1 788 227
Revaluation	-	-	-	-	-	-	-	-	-
Acquisitions	-	14 163 357	4 498 487	-	913 090	179 293	-	-	19 754 228
Capital under Construction	-	-	-	-	-	-	-	-	-
Increases/decreases in revaluation	-	-	-	-	-	-	-	-	-
Depreciation	-	-3 866 742	-1 358 100	-24 253	-1 035 838	-447 784	-	-	-6 732 717
- based on cost	-	-3 892 397	-1 373 361	-24 370	-1 367 949	-448 295	-	-	-7 106 372
Correction of error	-	25 655	15 261	117	332 111	511	-	-	373 658
Carrying value of disposals	-	-56 693	-2 587 817	-	-23 916	-14 875	-	-	-2 683 302
Cost/revaluation	-	-90 789	-2 604 487	-	-226 696	-34 913	-	-	-2 956 886
Correction of error	-	-9 994	-	-	-11 749	-	-	-	-21 743
Accumulated depreciation	-	44 090	16 670	-	214 529	20 038	-	-	295 327
Impairment losses	-	-	-	-	-	-	-	-	-
Correction of error	-	-	-	-	-	-	-	-	-
	-	53 038 340	29 021 255	617 380	2 210 338	6 495 363	-	1 869 615	93 252 296
Carrying values at 30 June 2006	-	53 038 341	29 021 255	617 380	2 210 338	6 495 363	-	1 869 615	93 252 296
Cost	-	96 985 615	35 666 983	727 599	9 195 798	13 577 921	-	1 869 615	158 023 531
Revaluation	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-43 947 274	-6 645 724	-110 219	-6 985 460	-7 082 558	-	-	-64 771 235
- Cost	-	-43 947 274	-6 645 724	-110 219	-6 985 460	-7 082 558	-	-	-64 771 235
- Revaluation	-	-	-	-	-	-	-	-	-

The revaluation surplus is reconciled as follows: -

	2007 R	2006 R
Balance at beginning of year	-	-
Surplus realised	-	-
Balance at end of year	0	0

Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.

The leased property, plant and equipment is secured as set out in Note 3.

The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with the following requirements of GAMAP 17 (Property, Plant and Equipment):

- Review of useful life of item of PPE recognised in the annual financial statements. [Paragraphs 59-61 and 77]
- Review of the depreciation method applied to PPE recognised in the annual financial statements. [Paragraphs 62 and 77]
- Impairment of non-cash generating assets. [Paragraphs 64-69 and 75(e)(v) – (vi)]
- Impairment of cash generating assets. [Paragraphs 63 and 75(e)(v) – (vi)]

**APPENDIX A**  
**BEAUFORT WEST MUNICIPALITY**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2007**

EXTERNAL LOANS	Loan Rate	Loan Number	Redeemable Term	Balance at 2006/06/30	Received during the period	Redeemed written off during the period	Balance at 2007/06/30
<b>LONG-TERM LOANS</b>				R	R	R	R
<b>Total long-term loans</b>				-	-	-	-
<b>ANNUITY LOAN</b>				-	-	-	-
DBSA - General				565 863	-	102 778	463 086
- Sewerage Extension 14 - AA 10/12/4	11.25%	11289/101	30			4 053	
- Sewerage Purification Works - AA10/12/16	16.24%	11291/101	15			58 004	
- Sewerage Network Merweville - SKDM Project no. 10950	15.00%	1	10			40 721	
DBSA SANLAM Building - General RB 21.10.03 It 5.44	10.46%	101257/1	15	1 526 145		55 387	1 470 758
DBSA - BL Sewerage - AA 10/12/11		182		-		-	-
ABSA - BL Sewerage - AA 10/12/6		205		-		-	-
ABSA - BL Sewerage - AA 10/12/6		206		-		-	-
DBSA - Sewerage BP Depot AA 10/12/16		562		-		-	-
DBSA - Sewerage Erven 3067 AA 10/12/16		563		-		-	-
DBSA - Electrification Housing Scheme - AA10/12/4	12.00%	9055	15	4 966 780		439 446	4 527 334
DBSA - Load Control System - RB 12.5.98 It 2	15.00%	10619	15	2 256 657		68 232	2 188 426
SANLAM - Water Network - AA10/12/20	16.65%	42	20	80 123		80 123	-
ABSA - Mercedes Benz Refuse Truck - CZ 4118		67801453	5	395 100		81 196	313 904
ABSA - Colt LWB - CZ 5307		66631368	3	72 018		16 711	55 307
ABSA - BMW 318i - MAYOR 1 WP		60331648	3	37 399		37 399	-
ABSA - Hilux LWB - CZ 6309		60335074	3	13 323		13 323	-
ABSA - Nissan LWB - CZ 8093		60335090	3	7 614		7 614	-
ABSA - Trailer		71832908	3		50 320	13 519	36 801
ABSA - Multi-Functional Office Machines		73129104	3		57 500	3 333	54 167
ABSA - Tractor		71831421	3		166 828	44 963	121 865
				-	-	-	-
<b>Total Annuity Loans</b>				<b>9 921 023</b>	<b>274 648</b>	<b>1 066 802</b>	<b>9 231 647</b>
<b>GOVERNMENT LOANS</b>							
<b>Total Government Loans</b>				-	-	-	-
				-	-	-	-
<b>LEASE LIABILITY</b>				-	-	-	-
<b>TOTAL EXTERNAL LOANS</b>				<b>9 921 023</b>	<b>274 648</b>	<b>1 066 802</b>	<b>9 231 647</b>

Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
R	R
-	-
-	-
2 475	-
579 786	-
228 711	-
1 600 000	-
-	-
-	-
-	-
-	-
-	-
4 431 733	-
2 364 056	-
-	-
324 742	-
65 057	-
-	-
-	-
-	-
50 320	-
57 500	-
166 828	-
-	-
<b>9 871 208</b>	<b>-</b>
<b>9 871 208</b>	<b>-</b>

APPENDIX B  
BEAUFORT WEST MUNICIPALITY  
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2007

	Cost/Revaluation								Accumulated Depreciation				Carrying Value
	Opening Balance	Opening Balance Residual Value	Additions	Additions Residual Value	Under Construction	Disposals	Disposals Residual Value	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
<b>Land and Buildings</b>													
Land								-				-	-
Buildings								-				-	-
<b>Infrastructure</b>													
Transformator kiosks	767 311	40 385	20 435	1 076	-	-	-	829 205	75 157	25 577	-	100 734	728 471
Elektrisiteit Voorsiening / retikulasie	25 447 638	1 339 349	718 655	37 824	-	-	-	27 543 467	15 137 187	817 492	-	15 954 680	11 588 787
Snelwee	26 121	1 375	-	-	-	-	-	27 496	26 121	-	-	26 121	1 375
Ander paale	22 110 129	1 163 691	4 146 813	218 253	-	59 198	3 116	27 576 573	8 714 515	1 538 866	53 818	10 199 562	17 377 011
Verkeersligte	5 464	288	-	-	-	-	-	5 751	4 920	273	-	5 193	558
Straatbeligting	5 628 277	296 225	-	-	-	-	-	5 924 502	883 143	225 131	-	1 108 274	4 816 228
Oorhoofse brue	45 532	2 396	-	-	-	-	-	47 929	24 300	1 518	-	25 818	22 110
Stormwaterreinerig	7 337 766	386 198	201 666	10 614	-	12 515	659	7 923 070	1 910 207	347 195	4 864	2 252 538	5 670 532
Brue, duikwee en duikslote	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor Parkeerfasiliteite	895 635	47 139	-	-	-	-	-	942 773	274 251	44 782	-	319 033	623 740
Bus terminusse	46 146	2 429	-	-	-	-	-	48 575	2 003	2 307	-	4 310	44 265
Water Meters	1 867 520	98 291	274 366	14 440	-	-	-	2 254 616	123 329	124 501	-	247 830	2 006 786
Hoof toevoer water	498 260	26 224	24 553	1 292	-	-	-	550 330	1 460	24 913	-	26 373	523 957
Water Voorsiening / retikulasie	9 987 324	525 649	2 080 688	109 510	-	35 902	1 890	12 665 379	6 355 203	488 770	26 283	6 817 690	5 847 690
Opgaardamme en tenks	2 148 048	113 055	-	-	-	6 833	360	2 253 911	790 537	107 402	4 444	893 495	1 360 415
Riolstelsels	7 637 522	401 975	1 863 330	98 070	-	51 495	-	9 946 692	4 745 193	379 890	44 807	5 080 277	4 866 415
Uitvalwerke	3 366 467	177 182	-	-	-	-	-	3 543 650	1 518 148	168 323	-	1 686 471	1 857 178
Reinigingswerke	1 826 137	96 112	-	-	-	-	-	1 922 249	1 025 934	91 307	-	1 117 241	805 008
Voetpadies	2 519 965	132 630	-	-	-	-	-	2 652 594	128 410	125 998	-	254 408	2 398 186
Plaveisel	-	-	-	-	-	-	-	-	-	-	-	-	-
Aanloopbane	-	-	-	-	-	-	-	-	-	-	-	-	-
Lughawe en radiobakens	9 020	475	-	-	-	9 020	475	-0	5 416	451	5 867	-	-0
Omheining	241 049	12 687	54 830	2 886	-	24 238	1 276	285 938	200 337	13 621	24 238	189 720	96 218
Sekuriteitstelsels	35 729	1 880	-	-	-	26 169	1 377	10 063	31 575	1 500	23 515	9 560	503
Spreiigte	31 761	1 672	-	-	-	9 231	486	23 716	13 580	1 588	2 711	12 398	11 318
	<b>92 478 820</b>	<b>4 867 306</b>	<b>9 385 335</b>	<b>493 965</b>	<b>-</b>	<b>234 600</b>	<b>12 347</b>	<b>106 978 478</b>	<b>41 990 926</b>	<b>4 531 407</b>	<b>190 606</b>	<b>46 331 727</b>	<b>60 646 752</b>
<b>Community Assets</b>													
Netbalbane	27 375	1 441	-	-	-	4 886	257	23 672	20 152	1 369	4 645	16 876	6 797
Tennisbane	295 307	15 542	-	-	-	7 037	370	303 442	204 351	14 765	5 985	213 131	90 311
Swembaddens	751 726	39 565	-	-	-	21 163	1 114	769 014	568 361	37 586	18 304	587 643	181 371
Golfbane	100 592	5 294	-	-	-	-	-	105 887	58 040	5 030	-	63 069	42 817
Jukselbane	171 110	9 006	-	-	-	-	-	180 115	57 894	8 555	-	66 449	113 666
Sportgronde	21 379 464	1 125 235	757 890	39 889	-	45 835	2 412	23 254 230	3 495 393	1 068 973	33 869	4 530 496	18 723 734
GEBOUE	40 510	2 132	37 263	1 961	-	-	-	81 867	616	363	-	979	80 888
Erwe / Gronde	307 228	16 170	-	-	-	-	-	323 398	-	-	-	-	323 398
Ambulans & Brandweerastasies	98 625	5 191	-	-	-	-	-	103 816	23 031	3 288	-	26 318	77 498
Begraafplase	391 919	20 627	-	-	-	-	-	412 546	33 966	13 064	-	47 029	365 516
Teaters / Gemeenskapsentrums	4 336 232	228 223	709 870	37 362	-	26 040	1 371	5 284 276	391 313	144 541	13 527	522 327	4 761 949
Klinieke / Hospitale	380 440	20 023	-	-	-	11 388	599	388 475	139 969	12 681	5 637	147 014	241 462
Parke / Openbare geriewe	1 553 688	81 773	6 409	337	-	30 291	1 594	1 610 322	148 676	51 790	10 091	190 375	1 419 948
Ortspanningsoorde / Dieretuine	37 398	1 968	-	-	-	-	-	39 367	13 723	1 247	-	14 970	24 397
Struktuur planne	315 600	16 611	-	-	-	-	-	332 210	315 600	-	-	315 600	16 611
Slaggale	3 179	167	-	-	-	3 179	167	-	1 697	106	1 803	-	-
Karavaanparke	55 001	2 895	-	-	-	12 996	684	44 216	30 796	1 833	8 176	24 453	19 764
Hostelle openbare /toerisme	226 909	11 943	-	-	-	-	-	238 852	75 678	7 564	-	83 242	155 610
Kantoorgeboue	2 847 841	149 886	-	-	-	43 219	2 275	2 952 234	789 973	94 928	18 926	865 975	2 086 259
Markte	195 126	10 270	-	-	-	-	-	205 396	6 504	6 504	-	13 008	192 387
Biblioteke	617 909	32 522	-	-	-	-	-	650 431	68 763	20 597	-	89 360	561 071
	<b>34 133 180</b>	<b>1 796 483</b>	<b>1 511 431</b>	<b>79 549</b>	<b>-</b>	<b>206 034</b>	<b>10 844</b>	<b>37 303 765</b>	<b>6 444 492</b>	<b>1 494 784</b>	<b>120 963</b>	<b>7 818 313</b>	<b>29 485 452</b>
<b>Heritage Assets</b>													
Historical Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Painting & Art Galleries	691 219	36 380	3 753	198	-	-	-	731 549	104 708	23 041	-	127 749	603 800
	<b>691 219</b>	<b>36 380</b>	<b>3 753</b>	<b>198</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>731 549</b>	<b>104 708</b>	<b>23 041</b>	<b>-</b>	<b>127 749</b>	<b>603 800</b>
<b>Total carried forward</b>	<b>127 303 219</b>	<b>6 700 169</b>	<b>10 900 518</b>	<b>573 711</b>	<b>-</b>	<b>440 634</b>	<b>23 191</b>	<b>145 013 792</b>	<b>48 540 126</b>	<b>6 049 232</b>	<b>311 569</b>	<b>54 277 788</b>	<b>90 736 004</b>

\* Includes correction of error referred to in Note 32.

APPENDIX B  
BEAUFORT WEST MUNICIPALITY  
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2006

	Cost								Accumulated Depreciation				Carrying Value
	Opening Balance	Opening Balance Residual Value	Additions	Additions Residual Value	Under Construction	Disposals	Disposals Residual Value	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
<b>Total brought forward</b>	127 303 219	6 700 169	10 900 518	573 711	-	440 634	23 191	145 013 792	48 540 126	6 049 232	311 569	54 277 788	90 736 004
<b>Housing Rental Stock</b>													
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	12 906 052	679 266	-	-	-	7 027	370	13 577 921	6 730 306	430 202	2 109	7 158 398	6 419 523
	<b>12 906 052</b>	<b>679 266</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 027</b>	<b>370</b>	<b>13 577 921</b>	<b>6 730 306</b>	<b>430 202</b>	<b>2 109</b>	<b>7 158 398</b>	<b>6 419 523</b>
<b>Leased Assets</b>													
Office Equipment (Lease)	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other Assets</b>													
Rekenaar hardware	1 366 103	71 900	197 801	10 411	-	20 007	1 053	1 625 154	1 008 253	136 044	16 017	1 128 280	496 874
Rekenaar sagteware	128 023	6 738	-	-	-	-	-	134 761	128 023	-	-	128 023	6 738
Kantoor masjiene	38 465	2 024	47 120	2 480	-	-	-	90 089	38 465	4 131	-	42 596	47 493
Lugreelaars	113 479	5 973	19 886	1 047	-	-	-	140 384	21 321	32 792	-	54 113	86 271
Stoele	12 091	636	-	-	-	-	-	12 727	118	1 727	-	1 846	10 882
Tafels /lessenaars	28 634	1 507	-	-	-	-	-	30 141	4 091	4 091	-	8 181	21 960
Kabinette /kaste	42 760	2 251	5 300	279	-	-	-	50 589	36 129	3 174	-	39 303	11 286
Diverse	4 179 036	219 949	60 148	3 166	-	26 035	1 370	4 434 894	3 089 473	699 611	24 074	3 765 011	669 883
Huishoudelike asdromme	11 016	580	-	-	-	-	-	11 596	11 016	-	-	11 016	580
Toegangsbeheer	-	-	-	-	-	-	-	-	-	-	-	-	-
Brandslange	-	-	-	-	-	-	-	-	-	-	-	-	-
Brandweereenhede	8 337	439	-	-	-	-	-	8 776	8 337	-	-	8 337	439
Motorvoertuie	457 200	24 063	-	-	-	-	-	481 263	381 875	35 594	-	417 468	63 795
Trokke/bakkies	2 310 328	121 596	-	-	-	-	-	2 431 924	1 857 168	120 418	-	1 977 585	454 338
Padskrapers	30 217	1 590	-	-	-	-	-	31 807	30 217	-	-	30 217	1 590
Trekkers	259 912	13 680	206 291	10 857	-	-	-	490 740	248 713	1 649	-	250 362	240 378
Grassnyers	14 155	745	-	-	-	-	-	14 900	3 839	7 078	-	10 917	3 983
Kompressors	11 062	582	-	-	-	-	-	11 644	11 062	-	-	11 062	582
Radio toerusting	5 632	296	-	-	-	-	-	5 928	907	1 126	-	2 034	3 894
Telekommunikasie toerusting	28 405	1 495	-	-	-	-	-	29 900	28 405	-	-	28 405	1 495
Algemeen	345 239	18 170	-	-	-	-	-	363 409	134 287	58 428	-	192 715	170 695
Masjieneringstoerusting	138 939	7 313	34 728	1 828	-	-	-	182 808	51 521	10 590	-	62 111	120 697
	<b>9 529 031</b>	<b>501 528</b>	<b>571 274</b>	<b>30 067</b>	<b>-</b>	<b>46 042</b>	<b>2 423</b>	<b>10 583 435</b>	<b>7 093 219</b>	<b>1 116 452</b>	<b>40 090</b>	<b>8 169 580</b>	<b>2 413 855</b>
<b>Investment Properties</b>													
Investment Properties	1 776 134	93 481	-	-	-	-	-	1 869 615	-	-	-	-	1 869 615
	<b>1 776 134</b>	<b>93 481</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 869 615</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 869 615</b>
<b>Total</b>	<b>151 514 436</b>	<b>7 974 444</b>	<b>11 471 792</b>	<b>603 779</b>	<b>-</b>	<b>493 703</b>	<b>25 984</b>	<b>171 044 763</b>	<b>62 363 651</b>	<b>7 595 885</b>	<b>353 769</b>	<b>69 605 767</b>	<b>101 438 997</b>



APPENDIX C  
BEAUFORT WEST MUNICIPALITY  
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT  
30-Jun-07

	Cost								Accumulated Depreciation				Carrying Value
	Opening Balance	Opening Balance Residual Value	Additions	Additions Residual Value	Under Construction	Disposals	Disposals Residual Value	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Executive & Council	688 528	36 238	119 304	6 279	-	-	-	850 349	510 617	65 550	-	576 166	274 183
Finance & Admin	24 656 683	1 297 748	871 549	45 871	-	-188 510	-9 922	26 673 419	12 375 056	571 113	-125 760	12 820 409	13 853 010
Planning & Development	220 292	11 594	36 877	1 941	-	-	-	270 704	163 357	16 868	-	180 225	90 479
Health	20 007	1 053	-	-	-	-20 007	-1 053	-	12 015	4 001	-16 017	-	-
Community & Social Services	1 168 140	61 481	78 407	4 127	-	-	-	1 312 154	676 828	21 412	-	698 240	613 914
Housing	7 940 777	417 936	-	-	-	-	-	8 358 712	5 568 448	267 176	-	5 835 624	2 523 089
Public Safety	427 850	22 540	-	-	-	-	-	450 390	326 963	46 323	-	373 286	77 104
Sport & Recreation	15 954 012	839 685	764 298	40 226	-	-88 365	-4 651	17 505 206	4 347 249	952 419	-67 362	5 232 307	12 272 899
Environmental Protection	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	12 994 232	683 907	1 863 330	98 070	-	-45 276	-2 383	15 591 880	7 485 883	710 798	-36 579	8 160 103	7 431 777
Road Transport	39 238 687	2 065 194	4 554 770	239 725	-	-79 123	-4 164	46 015 088	11 691 999	2 380 327	-66 093	14 006 234	32 008 855
Water	15 653 020	823 843	2 406 790	126 673	-	-72 422	-3 812	18 934 093	9 699 969	1 110 995	-41 959	10 769 005	8 165 088
Electricity	32 531 761	1 712 198	764 061	40 214	-	-	-	35 048 234	9 491 343	1 445 575	-	10 936 918	24 111 316
Other	20 400	1 074	12 406	653	-	-	-	34 533	13 923	3 327	-	17 250	17 283
<b>TOTAL</b>	<b>151 514 389</b>	<b>7 974 491</b>	<b>11 471 792</b>	<b>603 779</b>	<b>-</b>	<b>-493 703</b>	<b>-25 984</b>	<b>171 044 763</b>	<b>62 363 651</b>	<b>7 595 885</b>	<b>-353 769</b>	<b>69 605 767</b>	<b>101 438 997</b>

**APPENDIX D**  
**BEAUFORT WEST MUNICIPALITY**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED**  
**30-Jun-07**

<b>2006</b>	<b>2006</b>	<b>2006</b>		<b>2007</b>	<b>2007</b>	<b>2007</b>
<b>Actual</b>	<b>Actual</b>	<b>Surplus/</b>		<b>Actual</b>	<b>Actual</b>	<b>Surplus/</b>
<b>Income</b>	<b>Expenditure</b>	<b>(Deficit)</b>		<b>Income</b>	<b>Expenditure</b>	<b>(Deficit)</b>
<b>R</b>	<b>R</b>	<b>R</b>		<b>R</b>	<b>R</b>	<b>R</b>
27 312 913	37 710 379	-10 397 466	Executive & Council	14 486 196	13 316 688	1 169 508
11 484 058	6 947 292	4 536 766	Finance & Admin	12 936 424	8 776 703	4 159 722
199 214	2 082 614	-1 883 400	Planning & Development	608 335	2 336 986	-1 728 651
10 466	328 344	-317 878	Health	13 491	557 290	-543 798
196 177	1 341 280	-1 145 103	Community & Social Services	215 908	1 389 447	-1 173 539
115 048	947 320	-832 272	Housing	2 831 174	1 915 986	915 188
4 519 976	2 402 179	2 117 797	Public Safety	7 706 639	2 491 885	5 214 754
187 719	3 700 208	-3 512 489	Sport & Recreation	973 137	3 935 417	-2 962 281
-	-	-	Environmental Protection	-	-	-
8 742 889	6 009 250	2 733 639	Waste Management	9 343 324	6 161 116	3 182 207
828 737	6 776 148	-5 947 411	Road Transport	5 401 742	7 082 945	-1 681 203
8 398 416	5 769 698	2 628 718	Water	11 400 705	7 223 558	4 177 147
18 882 285	16 839 797	2 042 489	Electricity	22 137 514	19 271 827	2 865 687
21 768	711 032	-689 264	Other	84 425	907 410	-822 986
<b>80 899 665</b>	<b>91 565 539</b>	<b>-10 665 874</b>	<b>Sub Total</b>	<b>88 139 015</b>	<b>75 367 259</b>	<b>12 771 756</b>
-	-1 770 705	1 770 705	Less Inter-Dep Charges	-	-1 826 773	1 826 773
<b>80 899 665</b>	<b>89 794 834</b>	<b>-8 895 169</b>	<b>Total</b>	<b>88 139 015</b>	<b>73 540 486</b>	<b>14 598 529</b>
		-	Add: Share of Associate			-
		<b>-8 895 169</b>				<b>14 598 529</b>

**APPENDIX E(1)**

**BEAUFORT WEST MUNICIPALITY**

**ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2007**

<b>REVENUE</b>	<b>2007 Actual (R)</b>	<b>2007 Budget (R)</b>	<b>2007 Variance (R)</b>	<b>2007 Variance (%)</b>	<b>Explanation of Significant Variances greater than 10% versus Budget</b>
Property rates	11 125 881	9 932 164	1 193 717	12%	Rates are Budgeted per income and Actual Rates are per Levied
Property rates - penalties imposed and collection charges	1 068 666	1 000 000	68 666	7%	
Service charges	38 842 018	35 226 836	3 615 182	10%	
Regional Service Levies - turnover	-	-	-	0%	
Regional Service Levies - remuneration	-	-	-	0%	
Rental of facilities and equipment	650 506	488 806	161 700	33%	More rentals during the year than budgeted
Interest earned - external investments	448 427	153 848	294 579	191%	Fund interest after GRAP conversion
Interest earned - outstanding debtors	-	-	-	0%	
Dividends received	-	-	-	0%	
Fines	7 375 224	5 745 900	1 629 324	28%	More fine during the year than budgeted
Licences and permits	529 061	538 455	-9 395	-2%	
Income for agency services	444 001	470 000	-25 999	-6%	
Government grants and subsidies	23 903 527	27 196 639	-3 293 112	-12%	
Other income	1 577 482	1 781 847	-204 365	-11%	
Public contributions, donated/contributed PPE	-	-	-	0%	
Gains on disposal of property, plant and equipment	2 174 223	2 130	2 172 093	101976%	Sale of Land
Change in fair value	-	-	-		
<b>Total Revenue</b>	<b>88 139 015</b>	<b>82 536 625</b>	<b>5 602 390</b>	<b>7%</b>	
<b>EXPENDITURE</b>					
Executive & Council	13 316 688	13 387 666	-70 978	-1%	
Finance & Admin	8 776 703	7 972 108	804 595	10%	
Planning & Development	2 336 986	2 575 615	-238 628	-9%	
Health	557 290	512 156	45 133	9%	
Community & Social Services	1 389 447	1 530 072	-140 624	-9%	
Housing	1 915 986	11 175 732	-9 259 746	-83%	Housing Capital Budgeted
Public Safety	2 491 885	2 529 525	-37 640	-1%	
Sport & Recreation	3 935 417	3 801 936	133 481	4%	
Environmental Protection	-	-	-	0%	
Waste Management	6 161 116	6 403 764	-242 647	-4%	
Road Transport	7 082 945	6 684 478	398 467	6%	
Water	7 223 558	7 012 700	210 858	3%	
Electricity	19 271 827	19 155 371	116 457	1%	
Other	907 410	928 831	-21 421	-2%	
Inter-departmental charges	-1 826 773	-1 602 072	-224 701	14%	Charge outs
<b>Total Expenditure</b>	<b>73 540 486</b>	<b>82 067 880</b>	<b>-8 527 394</b>	<b>-10%</b>	
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>14 598 529</b>	<b>468 745</b>	<b>14 129 784</b>		

**APPENDIX E(1)**  
**BEAUFORT WEST MUNICIPALITY**  
**ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2006**

	<u>2006</u>	<u>2006</u>	<u>2006</u>	<u>2006</u>	<u>Explanation of Significant Variances</u>
<b>REVENUE</b>	<b>Actual (R)</b>	<b>Budget (R)</b>	<b>Variance (R)</b>	<b>Variance (%)</b>	<b>greater than 10% versus Budget</b>
Property rates	11 124 469	9 987 230	1 137 239	11%	<i>(Explanations to be recorded)</i>
Property rates - penalties imposed and collection charges	901 279	1 260 000	-358 721	100%	
Service charges	35 215 035	34 442 081	772 954	2%	
Regional Service Levies - turnover	-	-	-	#DIV/0!	
Regional Service Levies - remuneration	-	-	-	#DIV/0!	
Rental of facilities and equipment	531 287	655 237	-123 950	-19%	
Interest earned - external investments	275 766	86 197	189 569	220%	
Interest earned - outstanding debtors	0	0	0	0%	
Dividends received	0	0	0	0%	
Fines	4 278 745	4 321 900	-43 155	-1%	
Licences and permits	451 443	465 100	-13 657	-3%	
Income for agency services	444 900	400 000	44 900	11%	
Government grants and subsidies	26 059 277	5 160 200	20 899 077	405%	
Other income	1 505 664	931 707	573 957	62%	
Public contributions, donated/contributed PPE	0	0	0	0%	
Gains on disposal of property, plant and equipment	111 800	3 600	108 200	0%	
Change in fair value	-	-	-	0%	
<b>Total Revenue</b>	<b>80 899 665</b>	<b>57 713 252</b>	<b>23 186 413</b>	<b>0</b>	
<b>EXPENDITURE</b>					
Executive & Council	37 710 379.00	11 389 611.00	26 320 768.00	231%	
Finance & Admin	6 947 292	4 421 815	2 525 477	1	
Planning & Development	2 082 614	1 700 952	381 662	0	
Health	328 344	376 965	-48 621	-	
Community & Social Services	1 341 280	1 486 933	-145 653	-0	
Housing	947 320	587 232	360 088	1	
Public Safety	2 402 179	2 292 492	109 687	0	
Sport & Recreation	3 700 208	3 399 152	301 056	0	
Environmental Protection	-	-	-	-	
Waste Management	6 009 250	5 168 602	840 648	0	
Road Transport	6 776 148	4 805 175	1 970 973	0	
Water	5 769 698	5 336 548	433 150	0	
Electricity	16 839 797	16 103 856	735 941	0	
Other	711 032	627 282	83 750	-	
Inter-departmental charges	-1 770 705	-1 481 863	-288 842	-	
<b>Total Expenditure</b>	<b>89 794 834</b>	<b>56 214 752</b>	<b>33 580 082</b>	<b>60%</b>	
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>-8 895 169</b>	<b>1 498 500</b>	<b>-10 393 669</b>	<b>-694%</b>	

APPENDIX E(2)  
BEAUFORT WEST MUNICIPALITY

ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2007

	<u>2007</u> <u>Actual</u>	<u>2007</u> <u>Actual</u> <u>Residual Value</u>	<u>2007</u> <u>Under</u> <u>Construction</u>	<u>2007</u> <u>Total</u> <u>Additions</u>	<u>2007</u> <u>Budget</u>	<u>2007</u> <u>Variance</u>	<u>2007</u> <u>Variance</u>	<u>Explanation of Significant Variances</u> <u>greater than 5% versus Budget</u>
	R	R	R	R	R	R	%	<i>(Explanations to be recorded)</i>
Executive & Council	119 304	6 279	-	125 583		125 583	0.00%	Capital Budget was compailed in NT Format
Finance & Admin	871 549	45 871	-	917 420		917 420	0.00%	Capital Budget was compailed in NT Format
Planning & Development	36 877	1 941	-	38 818		38 818	0.00%	Capital Budget was compailed in NT Format
Health	-	-	-	-		-	0.00%	Capital Budget was compailed in NT Format
Community & Social Services	78 407	4 127	-	82 533		82 533	0.00%	Capital Budget was compailed in NT Format
Housing	-	-	-	-		-	0.00%	Capital Budget was compailed in NT Format
Public Safety	-	-	-	-		-	0.00%	Capital Budget was compailed in NT Format
Sport & Recreation	764 298	40 226	-	804 525		804 525	0.00%	Capital Budget was compailed in NT Format
Environmental Protection	-	-	-	-		-	0.00%	Capital Budget was compailed in NT Format
Waste Management	1 863 330	98 070	-	1 961 400		1 961 400	0.00%	Capital Budget was compailed in NT Format
Road Transport	4 554 770	239 725	-	4 794 494		4 794 494	0.00%	Capital Budget was compailed in NT Format
Water	2 406 790	126 673	-	2 533 463		2 533 463	0.00%	Capital Budget was compailed in NT Format
Electricity	764 061	40 214	-	804 275		804 275	0.00%	Capital Budget was compailed in NT Format
Other	12 406	653	-	13 059		13 059	0.00%	Capital Budget was compailed in NT Format
<b>Total</b>	<b>11 471 792</b>	<b>603 779</b>	<b>-</b>	<b>12 075 571</b>	<b>-</b>	<b>12 075 571</b>	<b>0.00%</b>	